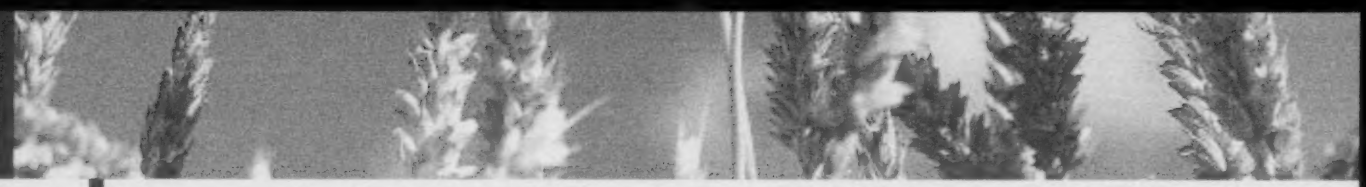
2016 ANNUAL REPORT

sama

SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

PURSUING EXCELLENCE IN ASSESSMENT POLICY AND SERVICES FOR SASKATCHEWAN



SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

VISION

SAMA is the recognized leader and authority on property assessment, and Saskatchewan's service provider of choice.

MISSION

SAMA develops, regulates and delivers a stable, cost-effective assessment system that is accurate, up-to-date, universal, equitable and understandable.

To do this we focus on six key responsibilities:

Governance
We provide leadership in methods of valuation and rules of assessment.

Assessment Services
We provide property assessment valuation services.

Information
We manage a comprehensive source of property assessment information for local governments, the Province, and other clients.

Quality
We promote and practice quality control and conduct quality assurance audits.

Communications
We consult with and inform local governments and the public about property assessment.

Innovation
We incorporate best practices and utilize appropriate new technologies.

SAMA CORE VALUES

Integrity
We practice ethical and high professional standards. We conduct our business with honesty and respect for others, by honouring our commitments, and being accountable for our actions.

Professionalism
We are experts in our field, and value continuous learning and training to ensure we deliver quality products and services.

Dedication
We are committed to improving every aspect of our property assessment system. We see every challenge as an opportunity to succeed.

Solution-Focused
We work collaboratively with others to understand needs and provide the best possible solutions.

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LETTER OF TRANSMITTAL FROM THE MINISTER

The Honourable Vaughn Solomon Schofield
Lieutenant Governor
Government House
4607 Dewdney Avenue
Regina, Saskatchewan
S4T 1B7

Your Honour:

I have the honour to submit the 2016 Annual Report for the Saskatchewan Assessment Management Agency.

The Saskatchewan Assessment Management Agency operates on the calendar year. This report documents the period January 1, 2016 to December 31, 2016.

Respectfully submitted,

Donna Harpauer
Minister of Government Relations

LETTER OF TRANSMITTAL FROM THE CHAIR

Honourable Donna Harpauer
Minister of Government Relations
Room 348, Legislative Building
Regina SK
S4S 0B3

Mr. Ray Orb, President
Saskatchewan Association of Rural Municipalities
200 - 2221 Cornwall Street
Regina SK
S4P 2L1

Mr. Gordon Barnhart , President
Saskatchewan Urban Municipalities Association
200, 2222 - 13th Avenue
Regina SK
S4P 3M7

Dear Sirs/Madam:

On behalf of the Board of Directors, I respectfully submit the 2016 Annual Report of the Saskatchewan Assessment Management Agency. The information in this report documents the period January 1, 2016 to December 31, 2016.

Yours sincerely,

Myron Knafelc
Chair, Board of Directors

2016 BOARD REPORT

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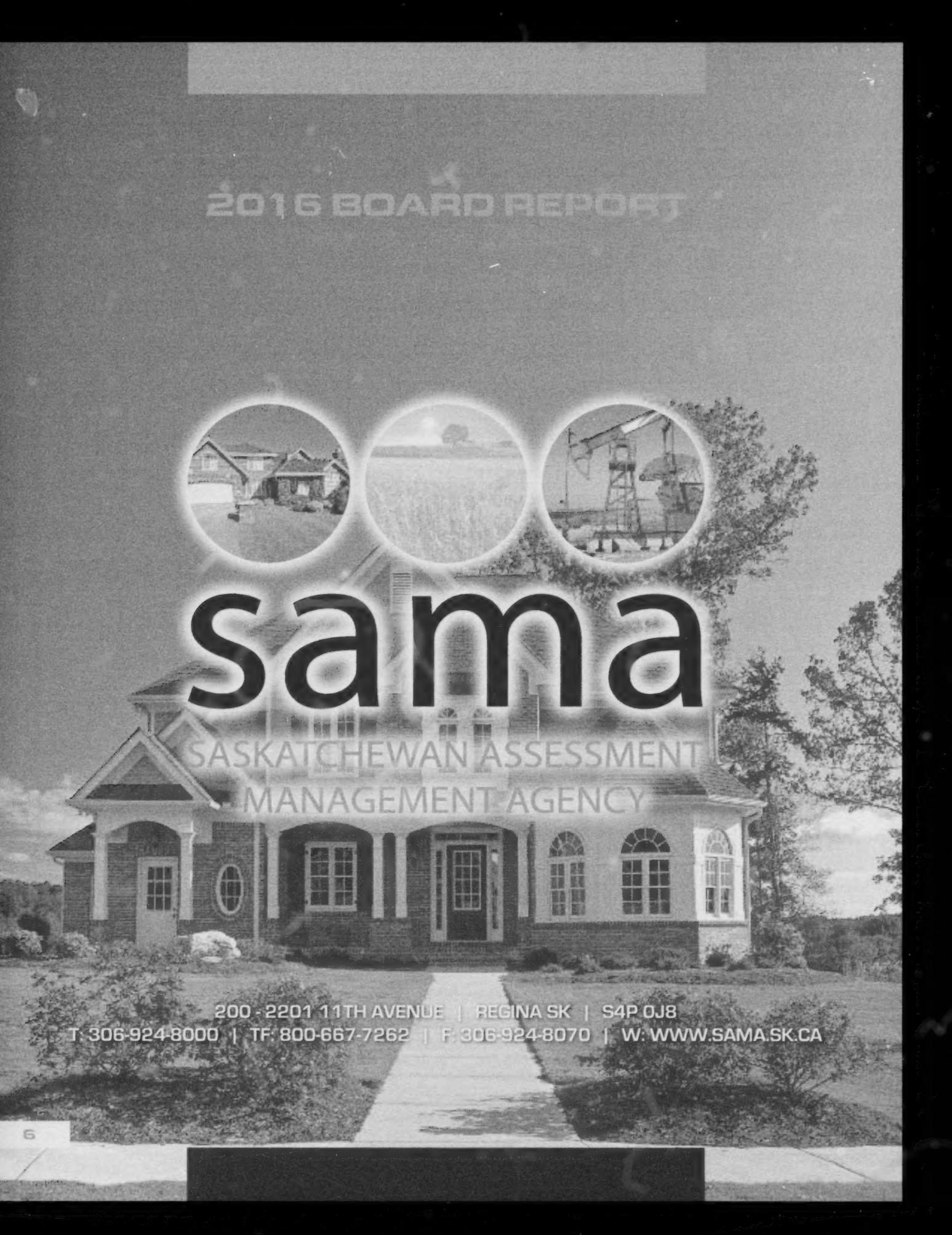
SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

PURSUING EXCELLENCE IN ASSESSMENT POLICY AND SERVICES FOR SASKATCHEWAN

2016 BOARD REPORT



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SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

200 - 2201 11TH AVENUE | REGINA SK | S4P 0J8
T: 306-924-8000 | TF: 800-667-7262 | F: 306-924-8070 | W: WWW.SAMA.SK.CA

SAMA BOARD OF DIRECTORS

L to R: Neal Hardy, Chair, representing the Province (Neal Hardy retired in October, 2016); Murray Purcell, representing Rural; Wade Murray, representing Urban (Wade Murray's term as a SAMA Board member ended in January, 2017 when he did not seek re-election in the 2016 municipal elections); Myron Knafelc, representing the Province (Myron Knafelc was appointed as SAMA's new Board Chair in January, 2017); Al Heron, representing Urban, Jim Angus, representing the Province; John Wagner, representing Rural.

Not pictured are SAMA's two new Board members appointed in 2017, Dawn Luhning, representing Urban, and Audrey Trombley, representing the Province.

CORPORATE PROFILE

The Saskatchewan Assessment Management Agency (SAMA) is the recognized leader of property assessment in Saskatchewan.

SAMA was formed in 1987 by *The Assessment Management Agency Act* to develop a fair property assessment system, and to provide municipalities and school divisions with cost-effective assessment services.

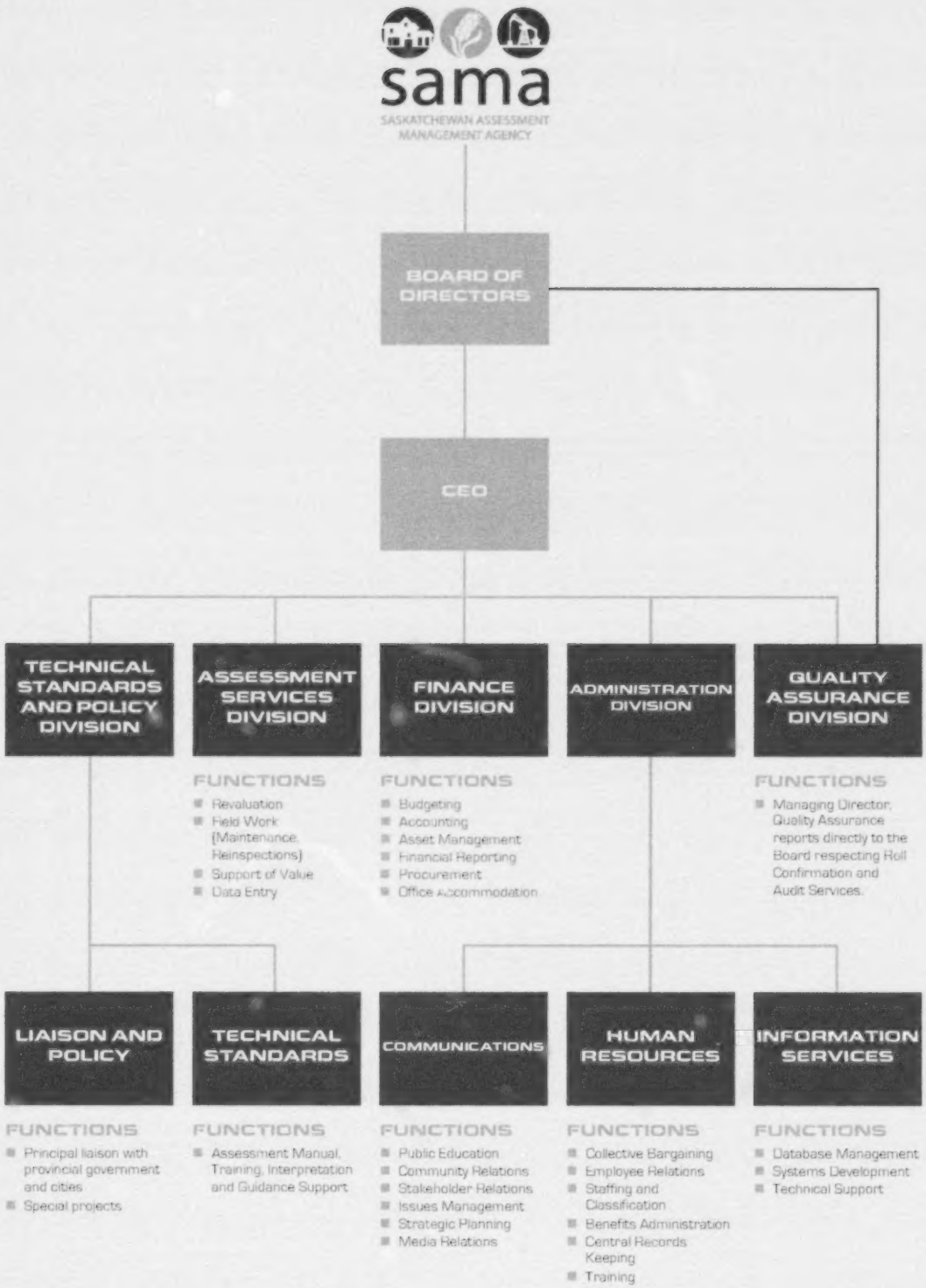
Responsibility for both the assessment system and assessment services – formerly held by the provincial government – was given to the independent Agency based on the recommendation of the Local Government Finance Commission. The Commission stated that the change would overcome a lack of local government authority in the assessment function, provide needed research and policy development and establish a higher priority for the assessment function.

In 2016, SAMA was funded jointly by the Province and municipalities. The Agency received statutory funding from the Province for provincial program services: assessment policy research, a central database of assessment information, assessment information for provincial programs and quality assurance. Since 2010, statutory funding provided by the government also includes funding for the education sector. The balance of the Agency's revenue was primarily provided by the municipalities that use the Agency's assessment services, and was obtained through a municipal requisition.

SAMA is responsible for assessment governance of the $160 Billion property assessment base, and a $1.9 Billion property tax base. In 2016, the Agency provided assessment valuation services to 760 urban, northern and rural municipalities. It is directly responsible for the assessed values of approximately 846,000 properties in the province, including the City of Moose Jaw.

SAMA's central office is located in Regina. The Agency provides assessment services to municipalities from seven regional offices – Melfort, North Battleford, Regina, Saskatoon, Swift Current, Weyburn and Yorkton. In 2006, SAMA began providing assessment services under a fee-for-service contract to the City of Moose Jaw. The Agency maintains an office in Moose Jaw as part of that contractual agreement.

ORGANIZATION



BOARD STRUCTURE, MANDATE AND ROLE

The SAMA Board of Directors (the Board) is responsible for the regulation of assessment policies and governance of the property assessment system used by all urban, northern and rural municipalities in the province.

This includes oversight responsibility to ensure SAMA is:

- regulating assessment valuation procedures;
- conducting assessment research;
- consulting on policy with the provincial government, the public, municipal governments and assessment stakeholders;
- confirming municipal assessment rolls;
- maintaining a central information database; and
- undertaking quality assurance functions, including primary and secondary audits.

SAMA consults extensively to ensure the implementation of assessment policies is equitable and understandable for property owners.

BOARD STRUCTURE

For 2016, the Agency's seven-member Board of Directors, appointed by the Lieutenant Governor in Council, consisted of:

- three members named by the Ministry of Government Relations including the Board Chair;
- two members named by the Saskatchewan Association of Rural Municipalities (SARM);
- one member named by the Saskatchewan Urban Municipalities Association (SUMA) for urban and northern municipalities under 30,000; and
- one member named by SUMA for cities with a population exceeding 30,000.

Board members are appointed for a maximum three-year term, and may be reappointed to subsequent terms.

The officers of the Board are the Chair and Vice-Chair. The Minister of Government Relations appoints the Chair, whereas the Board elects the Vice-Chair.

The role of the Board Chair is to ensure the integrity of the Board's processes. The Chair is the only authorized Board member to act as public and media spokesman for the Board, unless specifically delegated to another Board member.

The role of the Vice-Chair is to assume the role of Board Chair when the Chair is absent or unable to act. All Board members are eligible for election as Vice-Chair.

BOARD STRUCTURE, MANDATE AND ROLE

GENERAL RESPONSIBILITIES OF THE BOARD

The Board's role is to govern SAMA's affairs within the framework of relevant legislation and standards. The Board is responsible for the establishment and achievement of the Agency's vision, mission and strategic directions. The Board is also responsible for SAMA's stability and for communicating with stakeholders and other organizations to ensure that issues brought forward by SAMA's clients are dealt with adequately and respectfully. The Board is responsible for ensuring that it has sufficient information to monitor major areas of corporate performance.

The Board's primary responsibilities fall within nine general areas: statutory responsibilities, planning, financial stewardship, human resources stewardship, performance monitoring and accountability, risk management, community representation and advocacy, management of critical transitional phases and complaints review.

The Board's responsibilities include:

- Overseeing development and approval of a long-term corporate plan and approving annual budgets and operating plans.
- Defining and safeguarding the organizational mission, the values framework and operating principles within which it expects the Agency to be administered, and to review these periodically.
- Selecting a Chief Executive Officer (CEO) to whom the responsibility for administration of the Agency is delegated.
- Securing sufficient resources for the Agency to finance its programs adequately.
- Being accountable to the public and funders for the services of the Agency and expenditures of funds.
- Regularly reviewing the Agency's services to ensure that they are consistent with the purpose of the Agency, and that its programs are effective and relevant to community needs.
- Representing the Agency and its programs to stakeholders, and acknowledging stakeholder concerns.

The Board focuses on strategic leadership rather than administrative detail, highlighting important policy rather than operational matters.

ACCOUNTABILITY

The Board is accountable to the Province of Saskatchewan and those municipalities that provide funds for the operation of the Agency. The Board is also accountable, in a more general sense, to exercise good stewardship of the Agency on behalf of the trust placed in it by the province, local governments, the general public and other stakeholders.

RELATIONSHIP TO STAFF

The Board provides oversight and guidance to the CEO to ensure that SAMA's staff work cooperatively to carry out the objectives of the Agency. The Board relies on the ability, training, expertise and experience of staff to plan for, and provide services within, the Agency's mandate.

CHAIR'S REPORT

As Chair of the SAMA Board of Directors, I am committed to the overall success of SAMA and the Saskatchewan assessment system in general. The decisions and the strategic directions the Board charts for the Agency will affect the assessment system in the province for years to come. This requires that SAMA be held to a high standard as the Agency seeks to fulfill its Vision and Mission. By ensuring that the Agency's objectives are being met, and that we are continually improving our business processes, the Board makes certain SAMA is meeting the obligations set out in *The Assessment Management Agency Act*.

SAMA'S COMMITMENT TO QUALITY SERVICE

Continued economic growth for Saskatchewan in 2016 resulted in continued growth in property assets within Saskatchewan municipalities. The assessments conducted in 2016 by SAMA provided an additional estimated $17.0 million in annually recurring tax revenues for the agency's municipal clients and the education sector. Of the $17.0 million, municipalities received approximately $11.2 million and the education sector received approximately $5.8 million ($974.7 million was added to the taxable assessments of SAMA clients, the provincial average municipal mill rate was 11.4943 and the education sector mill rate was 5.9475).

The agency conducted 62,094 property reviews in calendar year 2016. This increase represented the fifth consecutive annual increase in the agency's output of property reviews and a modest 0.9% increase over 2015 (61,517 reviews in 2015).

2016 was the final year in the province's 4-year revaluation cycle (the last revaluation was in 2013). Accordingly, the agency spent the year in preparation for the 2017 revaluation and continued to meet municipality's demands for property maintenance and work towards increasing the amount of property reinspections completed.

FOCUSING ON THE FUTURE NEEDS OF CLIENTS

The agency continues to keep lines of communication open with municipalities, focusing on establishing service level expectations and meeting the needs of our clients. The Agency is focusing on increased interaction between SAMA and municipalities, which gives clients the flexibility to request delivery of their maintenance program by a specific date (via a service charter), and establishes a process that focuses on work that clients value by having them submit lists of requested maintenance. These changes have helped SAMA to more accurately deliver the property reviews municipal clients want, when they want them.

SAMA continued to implement its Technology Infrastructure (TI) Program in 2016. Work during the year included a rigorous training program for all appraisers and internal users of the central database system prior to implementation as well as several thousand hours spent on system development and data conversion. The capabilities of the new system will be put to the test in 2017 with expected increases in productivity due to the new enhanced system. The long-term goal remains to decrease SAMA's current reinspection cycle from 40 to 50 years down to 12 years. More information on the TI Program can be found in the Executive Report section of this Annual Report.

CHAIR'S REPORT

2018-2021 STRATEGIC DIRECTIONS

In 2016, SAMA set out four strategic directions for 2018-2021, building off of the Agency's 2014-2017 Strategic Directions:

1. MAINTAIN AND ENHANCE THE STAKEHOLDER SUPPORTED FUNDING MODEL FOR SAMA

- The Agency will incorporate enhancements to ensure the funding levels are predictable from year to year and that our funding model remains up-to-date and reflective of actual costs. We will continue to cost share ongoing support costs for new technologies, and to emphasize fee for service concept tied to work effort and benefits received.

2. SIMPLIFY AND STREAMLINE TO IMPROVE EFFICIENCY AND EFFECTIVENESS

- The Agency is looking to reduce time spent on operational programs to create a stable, more efficient agency, to simplify our valuation models and policies to improve operational efficiency, quality and overall effectiveness and to utilize efficiency gains to deliver on the promise to improve our property inspection/review capacity while increasing overall product quality.

3. USE POLICY, PROCESS AND TECHNOLOGY CHANGES TOGETHER TO DELIVER ON THE PROMISE OF RADICALLY INCREASING PROPERTY INSPECTIONS

- SAMA is looking to inspect/review an average of 100,000 properties per year over the 2018 to 2021 period, and implement a 12 year re-inspection cycle beginning in 2018. The Agency will continue to support and maintain new technologies to ensure they remain current, and seek partnerships with organisations to leverage available resources and take maximum advantage of new technologies as they become available and financially feasible.

4. STRENGTHEN THE CAPABILITIES OF ALL EMPLOYEES

- The Agency will seek to maintain a skilled and experienced workforce, by providing an environment where staff have every opportunity to be successful.

The proposed 2018-2021 strategic directions, along with the supporting details, were adopted by the SAMA Board on December 16, 2016.

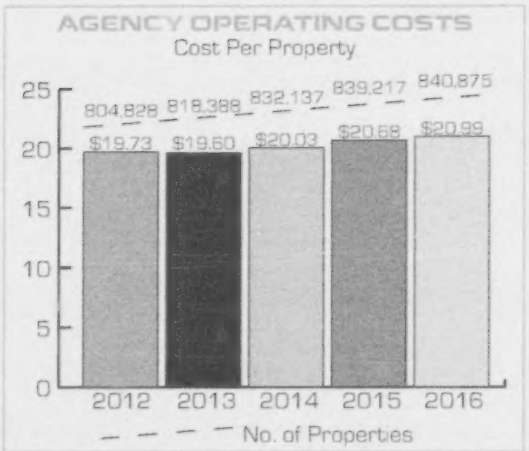
The 2018-2021 Business and Financial Plan will be developed in 2017 with the input of our stakeholders and advisory committees.

CHAIR'S REPORT

OPERATING COSTS

The 2016 operating cost per property represents a 1.5% increase over the previous year ($20.99 in 2016 and $20.68 in 2015).

Delivery of annual maintenance, revaluation and support of value services have been maintained and in many aspects improved over the past several years, while the agency has also concentrated on progressing through the TI Program and mitigating increases to operating costs.



TIMELY DELIVERY OF ASSESSMENT SERVICES

In 2016, the Board continued to be focused on timely delivery of annual assessment maintenance, increasing the volume of inspections, and improving the way the organization operates, with a particular emphasis on how the Agency can simplify our processes and implement new technologies that will allow the Agency to better meet our client's needs going forward.

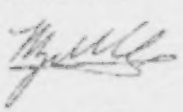
2017 REVALUATION

SAMA conducts revaluations based on a four-year cycle. 2013 was the year of the last revaluation, and the 2017 Revaluation will see assessed values updated to reflect a new base date of January 1, 2015.

2017 anticipated assessment trends for each major property group were delivered to attendees of SAMA's 2015 and 2016 Annual Meetings, as well as SAMA's Advisory Committees in 2015 and 2016. Detailed property specific values were provided to Government Relations on April 12, 2016. Detailed 2017 market trend reports were prepared for each of SAMA's client municipalities and provided to them starting in June, 2016.

We will be utilising our SAMAView web application to make the individual property assessments publically available for review and feedback for the 2017 Revaluation.

In closing, I would like to thank two of our long standing Board members, our past Board Chair, Neal Hardy and the SUMA appointed Board member representing cities above 30,000, Wade Murray, who both retired from the SAMA Board in 2016. Your contributions to the Agency and the assessment system in Saskatchewan were critical and essential components in the progress made by the Agency in the last five to ten years. You have set a very high standard for the rest of us to strive towards that will be hard to match by those of us asked to follow you. We appreciate everything you have done for the Agency during your tenures on the SAMA Board and wish you all the best in your well deserved retirements.



Myron Knafelc
Chair, Board of Directors

ADVISORY COMMITTEES TO THE BOARD OF DIRECTORS

The SAMA Board maintains advisory committees to review policies and practices respecting assessments and to make recommendations to the Board concerning those policies and practices. Three of these committees are statutory:

- Urban Advisory Committee, representing urban and northern municipalities under 30,000 population;
- City Advisory Committee, representing cities with a population over 30,000; and,
- Rural Advisory Committee, representing rural municipalities.

One additional committee has been established by the Board:

- Commercial Advisory Committee, representing commercial and industrial property owners and others with similar interests;

SAMA also maintains a number of administrative committees to receive input and consultation on more detailed, procedural, technical and legislative issues:

- The City Assessors/SAMA Committee is a working committee comprised of assessment professionals representing all assessment service providers in the province including SAMA, the cities of Prince Albert, Regina, Saskatoon, Swift Current and a private contractor, CD Consulting. Two SAMA Board members sit as observers on the committee.

  The committee provides a venue for these assessment professionals to meet on a regular basis to communicate, examine, discuss and provide recommendations on assessment specific topics regarding provincial level assessment policy, revaluation cycle programs, reinspection programs, support of value, quality assurance and mass appraisal best practices.

  The committee has established and maintains a sub-committee called the Revaluation Team that is tasked to examine and give recommendations to the committee on more technical assessment issues relating to the upcoming 2017 Revaluation.

- The Legal and Legislative Review Committee represents legal counsel and technical experts from SAMA, the Cities, the Saskatchewan School Boards Association and the provincial ministries of Government Relations, Education and Justice and Attorney General. This group provides the Agency with valuable input and feedback on any proposed regulatory or legislative changes.

In addition to regular meetings of the advisory committees, SAMA holds an annual meeting, to which municipalities can send voting delegates. Business conducted at the meeting includes:

- hearing the annual report of the Board of Directors;
- considering and adopting resolutions put forth by municipalities;
- considering changes proposed by the Agency to assessment legislation; and
- considering any reports made by the Agency on matters such as assessment policy or practice and assessment administration.

ADVISORY COMMITTEES TO THE BOARD OF DIRECTORS

CITY ADVISORY COMMITTEE - AS AT DECEMBER 31, 2016

The City Advisory Committee is responsible for cities with a population exceeding 30,000 (Moose Jaw, Prince Albert, Regina, and Saskatoon).

CITY ADVISORY COMMITTEE MEMBERS

MEMBER	ORGANIZATION
Wade Murray, Committee Chair	SAMA Board Member, City Sector
Neal Hardy (ex officio)	SAMA Board Chair
John Wagner	SAMA Board Member
Matt Noble	City of Moose Jaw
Deb Higgins	City of Moose Jaw
Lee Atkinson	City of Prince Albert
Mark Tweidt	City of Prince Albert
Deborah Bryden	City of Regina
Gerry Krismer	City of Regina
Shelley Sutherland	City of Saskatoon
Ann Iwanchuk	City of Saskatoon
Debra Button	Saskatchewan Urban Municipalities Association (SUMA), Board Member
Eric Bloc-Hanson	Saskatchewan School Boards Association (SSBA), Trustee
Dwain Weeks	Saskatchewan Assessment Appraisers' Association (SAAA)
OBSERVERS:	
John Edwards	Ministry of Government Relations
Ron Boechler	Saskatchewan School Boards Association (SSBA), Trustee
Laurent Mougeot	Saskatchewan Urban Municipalities Association (SUMA), Administration
Brenda Hendrickson	City of Moose Jaw
Tim Furlong	City of Prince Albert
Don Barr	City of Regina
Darcy Huisman	City of Saskatoon
Irwin Blank, CEO	SAMA
ADMINISTRATIVE SUPPORT:	
Shaun Cooney, Committee Secretary	SAMA

ADVISORY COMMITTEES TO THE BOARD OF DIRECTORS

COMMERCIAL ADVISORY COMMITTEE - AS AT DECEMBER 31, 2016

The Commercial Advisory Committee is responsible for reviewing policies and practices respecting assessment, especially as they relate to commercial property, and to make recommendations to the Board concerning these policies and practices.

COMMERCIAL ADVISORY COMMITTEE MEMBERS

MEMBER	ORGANIZATION
Myron Knafelc, Committee Chair	SAMA Board Member
Al Heron	SAMA Board Member, Urban Sector
Murray Purcell	SAMA Board Member, Rural Sector
Jim Angus	SAMA Board Member
Neal Hardy	SAMA Board Chair
Vacant	Regina Downtown Business Improvement District
Rob Lawrence	Association of Saskatchewan Realtors
Kevin Johnson	Association of Saskatchewan Realtors
Vacant	Saskatchewan Chamber of Commerce
John Hopkins	Regina & District Chamber of Commerce
Marilyn Braun-Pollon	Canadian Federation of Independent Business
Ryan Weir	Building Owners and Managers Association
Ian Magdiak	Canadian Property Tax Association
Jim Bence	Saskatchewan Hotel & Hospitality Association
Archie Cameron	National Golf Course Owners Association, Saskatchewan Chapter
Shawn Graham	Inland Terminal Association of Canada
Reg Hinz	Western Grain Elevator Association Tax Committee
Ken Marsh	Canadian Energy Pipeline Association
Kim Young	Canadian Association of Petroleum Producers
Darwin Collins	Saskatchewan Mining Association
Kevin Olmstead	Railway Association of Canada
Chandra Reilly	Saskatchewan Assessment Appraisers' Association (SAAA)
Grace Muzyka	Saskatchewan Association of the Appraisal Institute of Canada
Ken Patsula	Public Works and Government Services Canada
OBSERVERS:	
Norm Magnin	Ministry of Government Relations
Jeremy Karwandy	Ministry of Economy
Gerry Krismer	City of Regina
Darcy Huisman	City of Saskatoon
Tim Furlong	City of Prince Albert
Brenda Hendrickson	City of Moose Jaw
Vacant	City of North Battleford
Michael Kehler	City of Swift Current
Rod Weins	Saskatchewan Association of Rural Municipalities
Ken Dyeck	Tourism Saskatchewan
Dianne Ford	Saskatchewan Municipal Board
Irwin Blank	SAMA CEO
ADMINISTRATIVE SUPPORT:	
Darwin Kanius, Committee Secretary	SAMA

ADVISORY COMMITTEES TO THE BOARD OF DIRECTORS

RURAL ADVISORY COMMITTEE - AS AT DECEMBER 31, 2016

The Rural Advisory Committee is responsible for rural municipalities.

RURAL ADVISORY COMMITTEE MEMBERS

MEMBER	ORGANIZATION
John Wagner	SAMA Board Member, Rural Sector
Murray Purcell	SAMA Board Member, Rural Sector
Neal Hardy	SAMA Board Chair
Jim Angus	SAMA Board Member
Jeannie DeRochers	SARM Division 1
Brent Evans	SARM Division 2
John Chavtur	SARM Division 3
David Popowich	SARM Division 4
Doug Oleksyn	SARM Division 5
Gordon Meyer	SARM Division 6
Rod Weins	Saskatchewan Association of Rural Municipalities (SARM), Board Member
Garry Dixon	Provincial Association of Resort Communities of Saskatchewan (PARCS)
Audrey Trombley	Saskatchewan School Boards Association (SSBA), Trustee
Roger Frey	Saskatchewan Assessment Appraisers' Association (SAAA)
OBSERVERS:	
Brian Sych	Ministry of Government Relations
Jay Meyer	Saskatchewan Association of Rural Municipalities (SARM), Administration
Jim Weinbender	Saskatchewan School Boards Association (SSBA), Administrator
Garry Dziadyk	Rural Municipal Administrators Association of Saskatchewan (RMAA)
Irwin Blank	SAMA CEO
ADMINISTRATIVE SUPPORT:	
Steve Suchan, Committee Secretary	SAMA

ADVISORY COMMITTEES TO THE BOARD OF DIRECTORS

URBAN ADVISORY COMMITTEE - AS AT DECEMBER 31, 2016

The Urban Advisory Committee is responsible for urban and northern municipalities, excluding cities with a population exceeding 30,000.

URBAN ADVISORY COMMITTEE MEMBERS

MEMBER	ORGANIZATION
Al Heron, Committee Chair	SAMA Board Member, Urban Sector
Wade Murray	SAMA Board Member, City Sector
Neal Hardy (ex officio)	SAMA Board Chair
Myron Knafelc	SAMA Board Member
Kevin Tooley	SUMA (Cities)
Walter Streelasky	SUMA (Cities)
Barry Elderkin	SUMA (Towns)
Bruce Fidler	SUMA (Towns)
Mike Strachan	SUMA (Villages)
John Quinn	SUMA (Villages)
Malcolm Eaton	Saskatchewan Urban Municipalities Association (SUMA), Board Member
Vern Noble	Provincial Association of Resort Communities of Saskatchewan (PARCS)
Marla Walton	Saskatchewan School Boards Association (SSBA), Trustee
Brandon Danielson	Saskatchewan Assessment Appraisers' Association (SAAA)
OBSERVERS:	
Kelly Munce	Ministry of Government Relations
Laurent Mougeot	Saskatchewan Urban Municipalities Association (SUMA), Administration
Curt Van Parys	Saskatchewan School Boards Association, Administrator (SSBA)
Rod Audette	Urban Municipal Administrators Association of Saskatchewan (UMAS)
Irwin Blank, CEO	SAMA
ADMINISTRATIVE SUPPORT:	
Kevin Groat, Committee Secretary	SAMA

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2016 EXECUTIVE REPORT

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SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

PURSUING EXCELLENCE IN ASSESSMENT POLICY AND SERVICES FOR SASKATCHEWAN

2016 EXECUTIVE REPORT

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SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

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L to R: Todd Treslan, Managing Director, Assessment Services; Gordon Senz, Managing Director, Quality Assurance; Corinne Cherko, Executive Assistant; Irwin Blank, Chief Executive Officer; Betty Rogers, Managing Director, Administration; Steve Suchan, Managing Director, Technical Standards and Policy; George Dolini, Managing Director, Finance.

CEO REPORT

It is my pleasure to provide this annual update on the progress the agency has made in 2016 towards meeting the objectives and expectations of our clients and stakeholders as set out in SAMA's 2014 to 2017 business and financial plan. The plan calls for SAMA to double our capacity to review and inspect properties by 2018 through the combination of business process improvements, simplified and streamlined valuation models, implementation of proven new technologies and well-trained and engaged professional staff.

Doing so will allow us to inspect the entire inventory of 846,000 properties across our 760 client municipalities in the next 12 years. One of the key benefits of updating the assessment data through these inspection programs is that it will capture the growth in properties for our clients that has been missed over the last few decades, which has left over 30 million dollars in annual revenue on the table. This is revenue that will be provided to municipalities and the education sector as we complete our property re-inspection program over the next twelve years starting in 2018.

2016 provided many opportunities for our values of integrity, professionalism, dedication and being solution-focused to be put to the test as we worked through:

- the successful implementation of a complete rebuild of our main Govern computer system, which took longer than initially anticipated, but remained on budget due to the fixed price contract negotiated with the software vendor at the start of the project,
- completing and delivering preliminary 2017 values to the province and all 760 of our client municipalities,
- implementing simplified residential and commercial valuation models,
- handling substantial assessment appeal volumes and a number of controversial appeal decisions, and,
- completing a record high amount of property inspections.

I am pleased to report that our staff handled both the planned and unplanned changes and challenges that came with our new initiatives with a persistence and tenacity that was truly inspiring.

The implementation of this new "Govern.net" application and our simplified valuation models were two essential steps required to meet our strategic objectives. The new Govern system allows us to fully benefit from our new simplified valuation models while opening the door to the implementation of a new Matix GIS system and new remote data collection application in 2017. It also sets the stage for the development of a new secure web portal environment starting in late 2017. The new simplified residential valuation models will produce more consistent and reliable results with one fourth the complexity and data entry steps of our previous residential cost models, while the simplification of our commercial cost models removes over 70,000 unnecessary lines of computer table rates from our valuation processes.

It is these types of transformative changes, combined with the new technology and associated staff training to come in 2017 that will provide our Agency with the capability of doubling our property inspection capacity by 2018 with the existing complement of staff.

Our ability to implement these major strategic changes while also continuing to meet all our mandated assessment responsibilities would not be possible without the financial investments provided by our funding stakeholders. Our primary funding stakeholders are our municipal stakeholders as represented by SARM and SUMA and the Provincial government.

CEO REPORT

In 2016 we have also benefited greatly by the strong and steady leadership of our Board led by our long standing Board Chair, Neal Hardy until his retirement in the fall and then by our Board Vice Chair, John Wagner during the interim period and most recently by our new Board Chair, Myron Knafelc. Through this transition our Board has continued to provide strong support for the Agency's long term strategic directions, which has empowered us to move forward with confidence in our simplification, business process improvement and technology infrastructure initiatives.

Through the continued support of our Board, local governments and our provincial government stakeholders, we look forward to successfully completing the balance of our technology infrastructure work, delivering and supporting the new 2017 assessments and inspecting a near record level of properties again in 2017.

Irwin Blank
Chief Executive Officer

SAMA'S 2016 FUNDING AND STAFFING LEVELS

In 2016 the agency's operating budget called for an increase in budgeted revenue of $662,000 (3.84%) to $18.219 million. In terms of actual revenues, the municipal revenue increased $363,657 (5.3%) over the 2015 level, and the provincial funding remained unchanged at $10,238 million. The actual funding party shares for 2016 were 58.4% provincial and 41.6% municipal (59.7% and 40.3% in 2015, respectively).

Actual capital funding party shares for SAMA were $624,000 from municipalities (unchanged from 2015) and $612,000 provincial. There were no changes in the levels of capital funding from 2015.

SAMA's workforce has been at same level of full-time equivalent staff for five years (excluding non-permanent staff being funded via four-year TI Program restricted funds). Business process improvements and improvements via the TI Program have created productivity gains that have increased the output per staff member and decreased the cost-per-property of SAMA's service. Change and continual improvement have gradually become part of the agency's workforce culture.

CEO REPORT

SAMA'S TECHNOLOGY INFRASTRUCTURE (TI) PROGRAM

SAMA's 2014 to 2017 funding plan is focused on improving the Agency's ability to deliver services to our client municipalities by simplifying valuation policies, implementing new technologies and improving our processes. The Agency's Technology Infrastructure (TI) Program will make up a large part of this effort. Resources freed up through efficiency gains in our production process will be dedicated to increasing our reinspection capacity, while sustaining all of our core functions related to assessment maintenance and revaluation activities.

SAMA is focusing on improving our reinspection capabilities because the majority of properties in the province have not been physically reinspected in over 17 years. Implementing simplified residential and commercial valuation models alongside technology that would help to improve efficiency of data collection activities would also improve the quality of assessed values (and equity of values) and add taxable value to the assessment rolls as our inventory is updated over time. This would ensure a more stable and reliable assessment system for Saskatchewan's municipalities.

In 2016 the Saskatchewan Assessment Management Agency completed its third year of the TI Program, marking a major milestone. The TI Program was a challenge to the Agency's resources as they had to be assigned in a manner that allowed SAMA to not only fulfill its core responsibilities, but also invest in the changes and upgrades required. These changes will make SAMA more efficient and increase the agency's capacity to inspect properties.

The highlight of the year's technological change was a transition to a new cultural assessment database (Govern 6.1) in December, and the subsequent delivery of initial values for the 2017 revaluation.

The remaining phases of the TI Program will see SAMA implement a web portal to allow municipalities to conduct their assessment service business with SAMA over web based applications, and system changes that will allow appraisers to conduct their field inspections using remote data collection tablets. These electronic systems will replace the current paper-based manual systems that SAMA uses to collect property assessment information when our appraisers are doing their inspections in our client municipalities.

Using remote data collection tablets will eliminate current paper-based data collection and manual data entry methods. Current processes require the manual preparation of work lists, the printing of forms, maps and photos, and the manual recording of data on worksheets and subsequent re-entry of the data into SAMA's computer system (SPAN). Tablets will allow electronic assessment records to be downloaded, updated and uploaded to the SPAN system, eliminating a lot of manual effort and reducing the problem of transposition errors.

INCREASED PRODUCTIVITY

The use of updated technologies is expected to improve the inspection efficiency of urban property by 50% and agricultural land by 35% when they are completed and implemented. The use of new technologies, combined with the simplification of some of our valuation models and improved business processes that take full advantage of the new technologies, is essential to the Agency's strategy to improve quality and double the property review capacity of staff between 2014 and 2018. Currently, SAMA's appraisal staff spend two to three days in the office for every day in the field. New technology would allow staff to spend one day in the office for every day in the field, effectively doubling our inspection capacity when combined with our other planned efficiency gains.

BUSINESS PROCESS IMPROVEMENT

In 2008, SAMA embarked on a Business Process Improvement (BPI) strategy aimed at engaging the talents of the Agency's people to eliminate waste, and create value for the customer. It is a common sense approach to working with complex processes ensuring that clients' and stakeholders' needs are successfully met.

The Goals of BPI at SAMA are:

- A 25% increase in efficiency and productivity;
- Highly engaged staff, that take ownership of the business processes; and
- An Agency in a much better position to meet the increasing demands from clients.

SAMA is constantly looking for ways to improve our processes, and in 2016 the Agency sought to augment our employee engagement with business process improvement by directly engaging staff in our regional offices to help improve their work processes.

Business Process Improvement items of note for 2016 include:

- Continued to improve the processes for communicating changes with staff
- Focused on improving data verification in all of SAMA's regional offices
- Continued to engage staff in each region to identify improvement areas of greatest importance to them over following "one size fits all" standardized Agency BPI processes
- Improvements and efficiency gains in our revaluation preparations that saved 13 staff years of effort in the most recent revaluation cycle, relative to the previous cycle.

Most of the work done in 2016 was with the Assessment Services Division with several separate business process improvements implemented across all of our eight regional offices over the course of the year. Taken together, these business process improvements are the major factor behind the substantial overall efficiency gains the Agency has achieved over the last three years.

One of the strengths of BPI is its focus: the people most familiar with the actual work determine the necessary process improvements and plan the necessary changes. Significant progress has been achieved to date. BPI process improvement initiatives will continue to be a focus for SAMA in 2017 and beyond.

ADMINISTRATIVE REPORT

ASSESSMENT SERVICES

The Assessment Services Division provides valuation services to 760 urban, northern and rural municipalities. It is responsible for the assessed values of approximately 846,000 properties in the province, including the City of Moose Jaw. Core processes include inspection of properties through annual maintenance and general reinspections, revaluations (every four years), and support of value.

2016 YEAR IN REVIEW

- 29,985 maintenance changes were completed
- $974.7 million was added to the taxable assessments of SAMA's clients in 2016 as a result assessment maintenance and inspection activities.
- Over 32,000 properties reviewed through reinspections, including:
  - 10,152 agricultural
  - 8,716 residential and commercial
  - 13,241 industrial
- There was an approximate 30% increase in reinspection reviews completed over 2015.
- In SAMA's client satisfaction survey, 98% of respondents approved of SAMA's overall service with 80% saying they were "very satisfied."
- 109 municipalities have signed service charters

SUPPORT OF VALUE

SAMA provides its client municipalities with property assessment expertise to validate assessments at open houses and ratepayer/council meetings, and all levels of appeal (Board of Revision, Saskatchewan Municipal Board and Court of Appeal). SAMA also identifies and monitors precedent-setting assessment appeals that may have policy or procedural implications.

The total number of appeals in 2016 was 1,989, which represent a decrease over the previous year (236 less than the 2,225 in 2015). There were 1,368 appeals in 2014, and 4,321 in 2013, the most recent revaluation year. The number of appeals resolved by agreement to adjust or that were withdrawn was 1,629 (82.0%). The 1,989 appeals represent an appeal rate of 0.24% (1,989 appeals of the 840,875 properties). Additionally, the value of properties appealed was equal to 1.4% of the property database ($803.1M of the $58.1B total database). As a result of appeals, SAMA clients had a $167.7M or 0.28% decrease to taxable assessments (-0.20% in 2015 and -0.33% in 2014). 333 appeals went on to a Board of Revision hearing. 188 properties have been appealed to the Saskatchewan Municipal Board (SMB).

2016's support of value work involved over 10,000 direct labour hours, representing 6.5 FTE's or approximately 7.6% of SAMA's assessor resources. In the last revaluation cycle (2009 to 2012) there were 5,342 appeals and the number increased to 9,903 appeals in the current cycle (2013 to 2016). The demand for support of value has forced SAMA to allocate a portion of its gains in efficiencies from other areas to deal with appeals rather than expanding the provincial reinspection program. In addition to a general increase, there has also been an increase in appeals to the Saskatchewan Municipal Board when compared to the previous revaluation cycle.

ADMINISTRATIVE REPORT

SUPPORT OF VALUE (CONTINUED)

SAMA is mitigating its appeal risk by:

- enhancing support of value training for staff and improving documentation to explain and support assessment appeal decisions
- working through the SAMA City Assessor group to encourage the Saskatchewan Municipal Board to meet with assessment service providers and applicants to discuss ways to improve the timelines of appeal decisions

PROPERTY INSPECTION PROGRAMS

SAMA ensures detailed property assessment records are kept current through the annual maintenance program and the general reinspection program. The annual maintenance program ensures that individual properties with changes are inspected and new assessment values are calculated. Periodically, all properties in a municipality can be reviewed under the general reinspection program. General reinspections ensure that all properties in a municipality are fairly and equitably valued.

MAINTENANCE

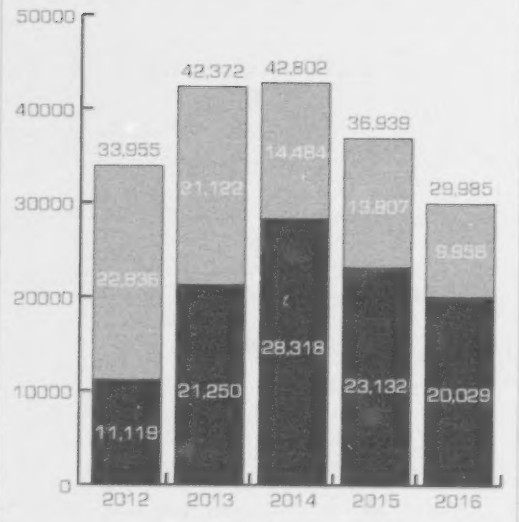
The annual maintenance program reviews and updates properties with changes that may affect the property's assessed value. The municipality submits a list of the properties affected, and the agency reviews each identified property and provides the municipality with an updated assessed value for their assessment roll.

Annual maintenance reviews were completed on 29,985 residential, commercial and agricultural land properties by December 31, 2016 – 20,029 properties for use on 2016 municipal assessment rolls and 9,956 properties for use on 2017 municipal assessment rolls. There are 20,994 properties remaining, which will be reviewed in the first and second quarter of 2017.

The agency continues to level out the annual maintenance workload by advancing annual maintenance work to the preceding year and works toward spreading the workload more evenly over the last months of the calendar year. This helps the agency to provide more timely delivery of the service to client municipalities.

ANNUAL MAINTENANCE REVIEWS

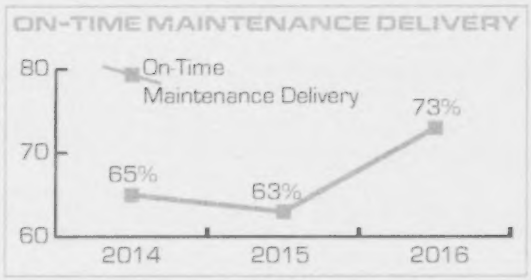
Number of Residential, Commercial and Agricultural Properties



2016 was the second year of a new maintenance fee-for-service initiative (and the first year capturing a full 12 months of chargeable fees-for-service). Municipalities approve their requested chargeable maintenance lists prior to the work being performed. The number of approved chargeable maintenance requests increased in 2016 (25,812 up from 17,387 in 2015).

MAINTENANCE (CONTINUED)

SAMA delivered on-time 73% of municipalities who requested their 2016 maintenance packages in the first part of 2016 (on-time delivery was 63% in 2015). Due to the 2017 revaluation, no municipalities had their 2017 maintenance delivered by the end of 2016.

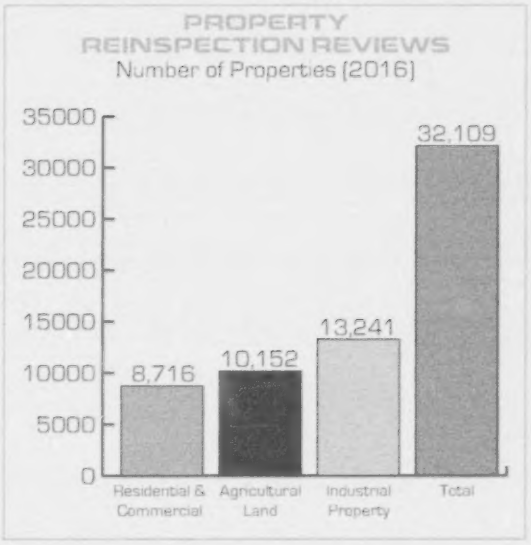


REINSPECTION PROGRAM

Over time, property assessments become dated because of property improvements, and gradual wear and tear, that are not identified through an annual maintenance review. The general reinspection program undertakes to review each property to re-establish a uniform base of up-to-date property records for municipalities.

Despite the demands of regular property maintenance and development of the TI Program, SAMA was able to allocate enough resources to its reinspection program in 2016 that the agency reinspected more properties in 2016 than the prior year (32,109 in 2016 versus 24,578 in 2015). The agency reinspected 10,152 agricultural properties in 7 rural municipalities, 8,397 residential reinspections and 319 commercial reinspections, targeting areas and municipalities where the assessments were estimated to be the furthest out-of-date. As part of the 13,241 industrial reinspections, the agency conducted a flow-line audit project that reinspected 12,635 properties (in addition to the 606 regular industrial reinspections).

SAMA's continual improvement over the past few years is moving the agency toward its long-term goal of reaching a 12-year reinspection cycle. The 2016 reinspection program numbers are close to six times the number of properties reinspected 5 years prior and the 32,109 properties are 38.9% higher than the 23,114 reinspected in 2010 (at which time SAMA's workforce was 22 FTE's larger).

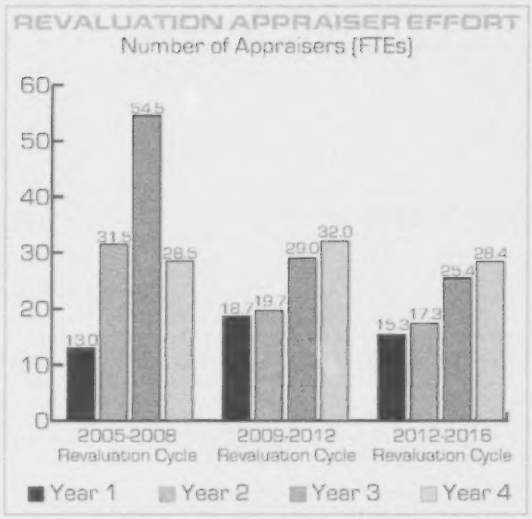


ADMINISTRATIVE REPORT

REVALUATION PROGRAM

The appraiser resources used to deliver the revaluation program vary from year to year over a four-year revaluation cycle. The focus in Year 1 is on implementation and support of value, in Year 2 on sales verification, in Year 3 on market analysis and Year 4 on quality assurance and finalization.

One of the agency's goals has been to decrease the amount of hours spent on the quadrennial revaluation. Business process improvement changes to the sales verification and market analysis processes have resulted in a significant reduction in total appraiser time on revaluation activities. 2016 was the final year of the current cycle and years 2013-2016 represented a 13% decrease in employee direct hours compared to the 2009-12 period.



2017 REVALUATION

SAMA conducts revaluations based on a four-year cycle. 2013 was the year of the last revaluation, and the 2017 Revaluation saw assessed values updated to reflect a new base date of January 1, 2015. The base date is the date to which all assessments are related. In 2016, SAMA focused on quality assurance and finalization in preparation for the 2017 revaluation.

THE COMPETITIVE ASSESSMENT ENVIRONMENT

Since 1995, a provision in The Assessment Management Agency Act has been made available that allows municipalities to use alternative assessment services.

In November 2004, the Province amended this legislation to require that municipalities wishing to undertake their own valuation services receive written consent from all affected school divisions as well as SAMA. Before this amendment, municipalities were only required to consult with school divisions and receive the written consent of SAMA.

SAMA and the Minister of Government Relation's consent are now needed for a municipality to opt out, or opt back into, SAMA's valuation services. Any municipality that carries out its own valuations and revaluations is not required to make requisition payments to the Agency. Jurisdictions that employ their own appraisal personnel still must follow the regulated Saskatchewan Assessment Manual and provincial assessment legislation.

The Assessment Management Agency Act contains separate legislation recognizing that the Major cities of Moose Jaw, Prince Albert, Regina and Saskatoon will provide for their own assessment services. The cities of Saskatoon, Regina, Prince Albert and Swift Current do not use SAMA's valuation services. In 2006, the city of Moose Jaw entered into a long-term assessment services contract with SAMA.

In 2014, 10 municipalities opted back in to SAMA's assessment services, and four additional municipalities are currently in discussions with SAMA to transition their assessment services back to SAMA starting in 2018.

ADMINISTRATIVE REPORT

TECHNICAL STANDARDS AND POLICY

The Technical Standards and Policy Division (TS&P) is responsible for researching and studying assessment valuation policy and best practices with regards to application of province-wide assessment valuation standards and policies. This involves considerable consultations with the Province, clients and stakeholders to ensure transparency and support on assessment policy matters. As part of this liaison process, TS&P is involved in the provision of assessment information to the Province, municipalities, school divisions and the public.

The TS&P division advises the Board and the Province with respect to property assessment legislation, prepares assessment related Board Orders, and also prepares manuals, guidelines, handbooks and other materials required in the assessment of property. Valuation materials may be revaluation cycle specific; such as the regulated *Assessment Manual* and the non-regulated *SAMA Cost Guide*, or may not be tied to a specific revaluation cycle, such as the non-regulated *Market Value Assessment in Saskatchewan Handbook*.

TS&P is responsible for liaising with independent assessment service providers regarding assessment policy and valuation practices. These activities include quality coordination and control activities to ensure consistent application of assessment valuation practices, which includes facilitating and overseeing the provincial revaluation cycle that occurs every four years. Further to this, TS&P provides technical support for assessment service providers that use SAMA's computerized assessment valuation system, the Saskatchewan Property Assessment Network (SPAN).

TS&P's also has a leadership role in identifying new computer based technologies to improve the efficiency of SAMA's mass appraisal processes as well as accuracy of assessments. In this regard, TS&P staff have integral roles regarding the implementation of SAMA's four- year capital project for new technology.

2017 REVALUATION

For 2016, in keeping with the administration of the traditional four year revaluation cycle policy processes, TS&P was engaged in preparations for the 2017 revaluation, which will use a base date of January 1, 2015. Consistent with the 2013 revaluation, the goal is to continue to stabilize major assessment policy, with consideration for refinement on selected items where there is consensus with stakeholders.

The 2015 Base Date regulated *Assessment Manual* (Manual) and non-regulated *SAMA Cost Guide* (Guide) were approved by the SAMA Board in 2015. These documents have been revamped to improve readability as well as amended to reflect simplified residential and commercial costing procedures. The non-regulated *Market Value Assessment in Saskatchewan Handbook*, which is not linked to a base date, did not require any amendments as it was substantially updated for the 2013 revaluation.

In addition to the regular revaluation policy processes, TS&P facilitated a valuation policy initiative within the Agency involving simplification of the residential and commercial replacement cost models for implementation with the 2017 revaluation. These improvements are in alignment with the 2013-2017 strategic directions to simplify and streamline work, and will integrate with planned process and technology improvements to dramatically increase property inspections while still yielding accurate valuation results.

ADMINISTRATIVE REPORT

2017 REVALUATION (CONTINUED)

In 2016, TS&P provided training for all SAMA staff in the use of the new simplified residential cost model. The division developed a new Residential Cost Handbook as well as updating SAMA's internal assessment guidelines and bulletins for use with the 2017 revaluation. TS&P also assisted with updating the valuation models in SAMA's Govern based computer assisted mass appraisal system, to reflect the models and rates contained in the 2015 base year Manual and Guide. This included supporting SAMA's Technology Infrastructure Project by helping to modify the computer valuation models for use with the new Govern.Net based programming environment, which was implemented in December 2016.

TS&P continued its quality coordination and monitoring of the 2017 Revaluation activities of assessment service providers in 2016. Activities include working with assessment service providers to promote best practices in valuation as well as regular reporting of work progress. Deliverables include quarterly reports to the SAMA Board which are in turn shared with the Province. Quality coordination activities are based upon the successful 2013 quality coordination program and include improvements suggested by assessment service providers. Quarterly reporting began in the fourth quarter of 2014 and will be completed in the first quarter of 2017 with the implementation of the revaluation.

2021 REVALUATION PREPARATIONS

With 2017 revaluation in place, preparations are underway by assessment service providers to prepare and implement assessments for the 2017-20 assessment rolls, and TS&P is now inviting suggestions regarding provincial high-level assessment policy for potential implementation with the 2021 revaluation. This revaluation is tentatively scheduled to have a base date of January 1, 2019. SAMA's advisory committees will be the primary venue for hearing and discussing any 2021 assessment policy suggestions.

Current direction by SAMA's Board is to continue to stabilize provincial valuation policy going forward following the successful implementation of the 2009 revaluation when we moved to the market valuation standard for residential and commercial property. Notwithstanding this strategy, the Board remains pragmatic with regards to improvements in assessment administration. Timing for implementing a policy change is critical as stakeholders require time to consider and support change, with assessment service providers requiring time to retool computer systems and train staff. In this regard, 2016 and 2017 are the ideal time frame to identify, discuss and recommend assessment policy changes for implementation in 2021.

ADMINISTRATIVE REPORT

ACCESSING REVALUATION BOARD ORDERS, PUBLICATIONS AND OTHER COST GUIDES

Revaluation related Board Orders and publications can be found on SAMA's website (www.sama.sk.ca) and accessed free of charge. The exception would be valuation rates established under license using Marshall & Swift/Boeckh, LLC costing publications *Marshall Valuation Service* and *The Residential Cost Handbook*.

SAMA's major publications include the *Saskatchewan Assessment Manual (2015 Base Year), SAMA's 2015 Cost Guide* and the *Market Value Assessment in Saskatchewan Handbook*. The *Saskatchewan Assessment Manual* has the force of regulation and must be complied with, while the Cost Guide and Market Value Handbook do not – they are documents within the market valuation standard.

Hard copies of the revaluation publications as well as the Marshall costing publications are available for a fee that covers the cost to print the documents and any applicable third party license fees.

Marshall & Swift/Boeckh, LLC., is a recognized industry leader in costing of commercial and residential property with regards to the application of the cost approach. Other assessment service providers may also refer to the Marshall costing publications. SAMA uses the *Marshall Valuation Service* for the majority of commercial properties valued using the cost approach. *The Residential Cost Handbook* is the basis for estimating replacement costs for both single and multi-family residences. For clarification, the *Assessment Manual, SAMA's Cost Guide, Handbook* and Marshall costing publications complement each other in the application of the cost approach.

INFORMATION SERVICES

In 2016, SAMA's Information Services Branch (IS) was focused on ensuring the Agency is served by up to date and efficient technology. One of the branch's main focuses for 2016 was the continued implementation of SAMA's Technology Infrastructure (TI) program.

TECHNOLOGY INFRASTRUCTURE (TI) PROGRAM

SAMA's 2014 to 2017 funding plan is focused on improving our employees' ability to deliver services to our client municipalities by simplifying valuation policies, implementing new technologies and improving our processes. The Agency's TI Program will make up a large part of this effort.

SAMA's TI Program is made up of four phases that are being implemented over the course of the four-year program. In 2015, Phase 1 work was completed on updating the user interface of our internal computer system, which is called Govern. The new interface made inputting information faster and more efficient improving the quality of the data in the system and allowing SAMA's appraisers to spend more time in the field and less time doing data entry. Phase 2 of the TI Program began in 2015 and was implemented in December 2016. Phase 2 saw the internal workings of the Govern system updated and modernized. This will improve the speed, reliability and functionality of the system, as well as pave the way for the implementation of remote data collection in Phase 3.

Phase 4 of the program will see SAMA develop a business to business web portal, which will seek to improve the way we interact with our clients and the public using online tools.

ADMINISTRATIVE REPORT

SAMAVIEW

SAMAView is a website application that allows the general public access to individual property assessments for all SAMA client jurisdictions. SAMA continues to support the use of SAMAView as a way of maintaining the transparency of assessments to the public.

You can access SAMAView by going to SAMA's website (www.sama.sk.ca) and clicking on the SAMAView link.

WHAT ARE THE BENEFITS OF SAMAVIEW?

With SAMAView you can:

- Verify your property assessment information;
- Compare your assessment to similar or neighbouring properties; and
- Get a general idea of assessed values in your municipality.

OTHER KEY 2016 INITIATIVES:

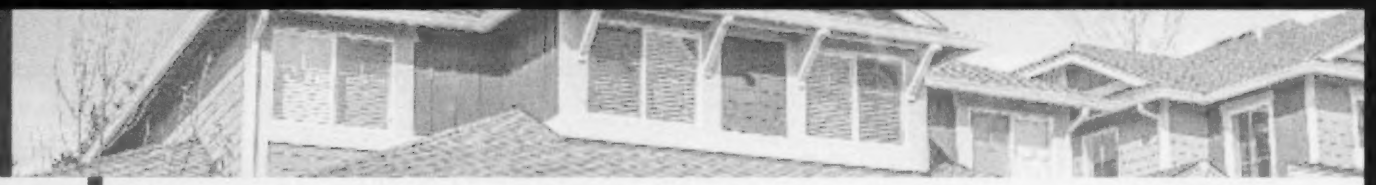
- Upgraded SAMA's SQL Server Environment;
- Created new DEV/TEST/PRODUCTION SQL Environments;
- Business Objects upgraded to version 4.2; and
- Setup of the new Regina Regional office.

HUMAN RESOURCES

For the year 2016, the Agency's budgeted number of employees was 144.75 permanent positions, which includes 103 positions in the Assessment Services division. This does not include 6 positions that are part of our assessment service contract with the City of Moose Jaw.

Items of note for 2016:

- The Agency is constantly striving to become a better organization - more productive, innovative, service-oriented and better managed. This includes being attuned and responsive to employee needs. We examine the way we run our organization by conducting regular employee engagement surveys. We have conducted employee surveys in 2007, 2009, 2011, 2013, and 2015 and have improved a number of areas as a result of employee feedback. SAMA will conduct a survey in 2017 to continue to measure our progress as an Agency at engaging our employees.
- Held our annual Agency-wide staff meeting and appreciation banquet in September.



ADMINISTRATIVE REPORT

WORKFORCE PLANNING

The Agency continues to address workforce planning by:

- Recruiting people with the right type of attitude and motivation that are committed to their work, and building a high performance work environment that helps retain key talent and fully engages the right people; and
- Enhancing the Agency's employee engagement strategies to build and sustain a healthy and viable organization.

SAMA remains committed to working with Lakeland Community College in Vermilion, Alberta to recruit new personnel. The Agency continues its:

- $500 annual bursary, awarded to a first-year student with the highest grade point average in assessment appraisal studies; and
- Attendance at the annual Business Job Fair at Lakeland Community College's Lloydminster campus.

EMPHASIS ON TRAINING AND PROFESSIONAL ACCREDITATIONS

Throughout 2016, SAMA continued to place significant emphasis on the development and training of our employees. SAMA's employees continue to have considerable success with their attainment of professional accreditations.

The success of SAMA's efforts in providing property assessment services within Saskatchewan depends on the knowledge, skills and expertise of our employees, and the Agency's ability to attract and retain a talented and skilled workforce in a highly competitive market.

COMMUNICATIONS

In 2016, SAMA's Communications Branch was focused on continuing to work with our clients and stakeholders to improve the way we connect. This included the implementation of a 2017 Revaluation Communications plan that focused on the various aspects of the 2017 Revaluation SAMA needed to communicate with our clients, stakeholders and the public.

SAMA Communications is responsible for drafting and updating the Agency's various pieces of informational literature; all of the Agency's pamphlets and brochures are available on our website (www.sama.sk.ca). The Communications branch is also responsible for media relations, organizing SAMA's Annual Meeting, representing the Agency at various stakeholder conventions and coordinating appearances at local conferences and town hall meetings.

SAMA is committed to ensuring that the Agency is served by modern and efficient technology. From a communications perspective, SAMA's website (www.sama.sk.ca) is a vital part of how we communicate with our stakeholders, our client municipalities and the public.

2016 FINANCIAL REPORT

sama

SASKATCHEWAN ASSESSMENT
MANAGEMENT AGENCY

PURSUING EXCELLENCE IN ASSESSMENT POLICY
AND SERVICES FOR SASKATCHEWAN

2016 FINANCIAL REPORT

sama

SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

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SUMMARY OF 2016 FINANCIAL RESULTS

OPERATING REVENUES

Operating revenues increased by $410,913 or 2.3% to $18,377,002 from $17,966,089 in 2015

- The provincial grant remained unchanged from 2015 at $10,238,000.
- Municipal revenue increased $363,657 over 2015, comprised of a planned 3.0% uniform increase to all client municipalities totalling $197,053 and $166,604 from increased volume of property maintenance reviews (charged at $20 per property, unchanged from 2015).
- Miscellaneous revenues increased by $65,013 from 2015 primarily because of a grant received for staff training.

OPERATING EXPENSES

Total operating expenses increased by $290,793 or 1.7% to $17,072,639 from $16,781,846 in 2015

- Computer expenses increased $250,957 to $1,308,043 from $1,057,086 in 2015, mainly due to consultant costs to update the agency's oil and gas reporting systems.
- Professional fees decreased $64,373 primarily because of decreased external legal expenses required to support commercial property appeals.
- Travel expenses increased by $21,838 because of increased inspection activity in 2016 and in-person training at Central Office for regional employees.

OPERATING SURPLUS, RESERVE ALLOCATION AND THE TECHNOLOGY INFRASTRUCTURE (TI) PROGRAM

The Agency recorded an operating surplus of $245,008 in 2016 after $1,059,355 was transferred to the capital fund for purchase of capital assets including $984,371 in development costs for the TI Program.

- The increase in net assets of $245,008 (excluding capital assets) in 2016 consisted of a $26,728 increase in unrestricted net assets and a $218,280 increase in amounts held in reserve.
- The net increase in reserves of $218,280 is the result of 2016 reserve expenditures of $304,492 and reserve replenishments of $522,772.
- The four-year TI Program was launched in 2014 with first-year funds of $623,860 provided by client municipalities and agency internal reserve re-allocations of $640,500. In both 2015 and 2016 the Province and municipalities contributed to the TI program in the annual amounts of $612,000 and $623,871, respectively. 2016 TI expenditures totalled $3,100,833 ($1,394,042 in 2015). The majority of capitalized TI Program costs are payments to external information technology firms working on system development and internal wages and benefits.

AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Saskatchewan Assessment Management Agency

We have audited the accompanying financial statements of Saskatchewan Assessment Management Agency, which comprise the statement of financial position as at December 31, 2016, and the statements of revenues and expenses and changes in fund balances, and cash flows for the year ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of Saskatchewan Assessment Management Agency as at December 31, 2016, and the results of its operations and its cash flows for the year ended in accordance with Canadian accounting standards for not-for-profit organizations.

Deloitte LLP

Chartered Professional Accountants
Licensed Professional Accountants

February 24, 2017
Regina, Saskatchewan

FINANCIAL STATEMENTS

SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

STATEMENT OF FINANCIAL POSITION

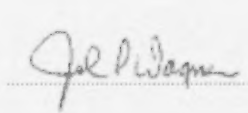
As at December 31, 2016

	2016 $	2015 $
CURRENT ASSETS		
Cash	1,772,488	1,255,248
Accounts receivable	38,456	52,352
Province of Saskatchewan grant receivable	1,712,500	1,712,500
Government remittances receivable	56,753	28,929
Prepaid expenses	648,276	425,077
	4,228,473	3,474,106
CAPITAL ASSETS (Note 3)	4,132,220	2,381,014
INTANGIBLE ASSET (Note 4)	-	6,754
	8,360,693	5,861,874
CURRENT LIABILITIES		
Accounts payable	730,063	659,412
Deferred revenue	257,356	172,706
Current portion of obligation under capital lease	-	29,228
	987,419	861,346
DEFERRED CONTRIBUTIONS RELATED TO TI PROGRAM (Note 6)	3,095,602	1,859,731
	4,083,021	2,721,077
NET ASSETS		
Capital fund	2,255,014	1,363,147
Operating fund		
Reserves (Note 7)	1,636,610	1,418,330
Unrestricted	386,048	359,320
	2,022,658	1,777,650
	4,277,672	3,140,797
	8,360,693	5,861,874

See accompanying notes

APPROVED BY THE BOARD

.....Director



.....Director

FINANCIAL STATEMENTS

SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN FUND BALANCE - OPERATING FUND

Year ended December 31, 2016

	Budget 2016 (Unaudited) $	Actual 2016 $	Actual 2015 $
REVENUES			
Province of Saskatchewan operating grant	10,545,000	10,238,000	10,238,000
Municipal invoices	7,238,480	7,278,917	6,915,260
Fees	343,000	239,815	291,205
Interest	20,000	31,158	23,559
Appraisal and assessment services	558,140	487,388	461,354
Miscellaneous	52,500	101,724	36,711
	18,757,120	18,377,002	17,966,089
EXPENSES			
Geospatial imagery	86,940	67,818	66,367
Bank and payroll charges	50,000	31,823	25,879
Communications	18,000	31,904	20,345
Computer services, software and supplies	1,240,190	1,308,043	1,057,086
Insurance	22,000	19,620	18,666
Land titles information	212,400	186,433	192,457
Office	496,670	398,748	396,414
Printing and data licensing	229,280	95,509	95,092
Professional	328,300	279,987	344,360
Rent	1,224,240	1,158,758	1,151,941
Salaries and benefits	13,357,650	12,442,142	12,393,683
Staff training and development	255,540	258,961	248,501
Travel and accommodation	800,710	792,893	771,055
	18,321,920	17,072,639	16,781,846
EXCESS OF REVENUES OVER EXPENSES	435,200	1,304,363	1,184,243
Transfer to Capital Fund	(286,220)	(1,059,355)	(1,029,303)
Operating fund balance, beginning of year	1,777,650	1,777,650	1,622,710
Operating fund balance, end of year	1,926,630	2,022,658	1,777,650
Reserves (Note 7)	(1,777,650)	(1,636,610)	(1,418,330)
UNRESTRICTED FUND BALANCE, END OF YEAR	148,980	386,048	359,320

FINANCIAL STATEMENTS

SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN FUND BALANCE - CAPITAL FUND

Year ended December 31, 2016

	2016 $	2015 $
REVENUES		
Province of Saskatchewan restricted grant	-	-
EXPENSES		
Amortization of capital assets (Note 3)	160,734	204,643
Amortization of intangible asset (Note 4)	6,754	4,502
DEFICIENCY OF REVENUES OVER EXPENSES	(167,488)	(209,145)
Transfer to Capital Fund	1,059,355	1,029,303
CAPITAL FUND, BEGINNING OF YEAR	1,363,147	542,989
CAPITAL FUND, END OF YEAR	2,255,014	1,363,147

See accompanying notes

FINANCIAL STATEMENTS

SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

STATEMENT OF CASH FLOWS

Year ended December 31, 2016

	2016 $	2015 $
OPERATING		
Excess of revenues over expenses:		
Operating fund	**1,304,363**	1,184,243
Capital fund	**(167,488)**	(209,145)
Items not affecting cash:		
Amortization of capital assets	**160,734**	204,643
Amortization of intangible asset	**6,754**	4,502
	1,304,363	1,184,243
Changes in non-cash working capital:		
Accounts receivable	**13,896**	(17,070)
Government remittances receivable	**(27,824)**	22,666
Municipal invoice receivable	**-**	2,605
Province of Saskatchewan grant receivable	**-**	(190,750)
Prepaid expenses	**(223,199)**	(85,290)
Accounts payable	**70,651**	163,632
Deferred revenue	**84,650**	69,234
Deferred contributions related to TI Program	**1,235,871**	1,235,871
	2,458,408	2,385,141
INVESTING		
Purchase of capital assets	**(1,911,940)**	(1,373,031)
FINANCING		
Repayment of obligation under capital lease	**(29,228)**	(27,805)
INCREASE IN CASH	**517,240**	984,305
CASH, BEGINNING OF YEAR	**1,255,248**	270,943
CASH, END OF YEAR	**1,772,488**	1,255,248

See accompanying notes

FINANCIAL STATEMENTS

SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

NOTES TO THE FINANCIAL STATEMENTS

Year ended December 31, 2016

1. STATUTORY AUTHORITY

The Saskatchewan Assessment Management Agency (the "Agency") was established under the authority of *The Assessment Management Agency Act* (the "Act") on March 1, 1987. The Agency is exempt from income taxes pursuant to Section 149(1) of *The Income Tax Act*.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("NPO Standards") and reflect the following policies:

a) Use of estimates

The preparation of financial statements in conformity with NPO Standards requires management to make estimates and assumptions that affect reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. A key component of the financial statements requiring management to make estimates is the useful life of long-lived assets. Actual results could differ from those estimates.

b) Fund accounting

The Operating Fund accounts for the Agency's program delivery and administrative activities.

The Capital Fund reports the assets, revenue and expenses related to the Agency's capital assets.

c) Capital assets

Capital assets are recorded at cost less accumulated amortization. Amortization is calculated using the diminishing balance method, except for leasehold improvements and the SPAN system, which are being amortized using the straight-line method over the lease term and useful lives of the assets, respectively.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d) Impairment of long-lived assets

When a tangible capital asset or an intangible asset that is subject to amortization no longer has any long-term service potential for the Agency, the excess of its net carrying amount over any residual value should be recognized as an expense in the statement of revenues and expenses and changes in fund balances.

e) Intangible asset

The Agency has no intangible assets with an indefinite life. Other intangible assets are accounted for at cost. Amortization is based on their estimated useful life using the straight line method.

f) Technology Infrastructure Program development costs

Expenditures related to the development of the Technology Infrastructure ("TI") Program were capitalized. The project began in 2014 and will continue until 2017 with amortization of the costs to begin in 2018 once the program is put into use. The project purpose is to significantly improve the computer system used for provincial property assessment and thereby increase the Agency's inspection capacity. Costs directly related to the project have been capitalized with the exception of those related to training.

g) Reserves

Reserves are established by Board of Directors' approval through appropriations of unrestricted net assets.

h) Revenue recognition

The Agency follows the deferral method of accounting for grants and other contributions received from the Province of Saskatchewan, and the municipal invoices from participating municipalities. Approved operating grants and municipal invoices are recorded as revenue in the period to which they relate when collection is reasonably assured. Grants and municipal invoices approved but not received at the end of an accounting period are accrued when collection is reasonably assured. Other revenues are recognized as revenue when persuasive evidence of an arrangement exists, delivery has occurred, the price is fixed or determinable and collection is reasonably assured.

Externally restricted contributions for future expenses are recognized as revenue in the year in which the related expenses are incurred. Externally restricted contributions for capital assets are deferred and recognized as revenue in the period the related amortization of the capital assets occurs.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i) Financial instruments

The Agency initially measures its financial assets and financial liabilities at fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost.

Transaction costs are added to the carrying value of the asset or netted against the carrying value of the liability and are then recognized using the effective interest method. Any premium or discount related to an instrument measured at amortized cost is amortized over the expected life using the effective interest method and recognized in net earnings as interest income or expense.

With respect to financial assets measured at cost or amortized cost, the Agency recognizes in net earnings an impairment loss, if any, when it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written-down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss shall be reversed in net earnings in the period the reversal occurs.

j) Liquidity risk

The Agency's objective is to have sufficient liquidity to meets its liabilities when due. The Agency monitors its cash balance and cash flows generated from operations to meet its requirements. As at December 31, 2016, the most significant financial liabilities are accounts payable.

3. CAPITAL ASSETS

	Cost	Accumulated Amortization	2016 Net Book Value	2015 Net Book Value
Computer and equipment	$ 1,023,819	$ 862,748	**$ 161,071**	$ 228,134
Furniture and equipment	967,931	815,131	**152,800**	104,728
Leasehold improvements	292,289	255,055	**37,234**	44,239
SPAN system	5,940,000	5,940,000	-	-
TI Program (Note 2(f))	3,781,115	-	**3,781,115**	1,947,171
Furniture and equipment under capital lease	-	-	-	56,742
	$ 12,005,154	$ 7,872,934	**$ 4,132,220**	$ 2,381,014

4. INTANGIBLE ASSET

	Cost	Accumulated Amortization	2016 Net Book Value	2015 Net Book Value
Computer software	120,336	$ 120,336	$ -	$ 6,754

5. DEMAND LOAN

The Agency has an authorized demand loan with the Royal Bank of Canada to a maximum amount of $1,500,000 (2015 - $1,500,000) repayable on demand and bearing interest at bank prime plus 0.50%. As at December 31, 2016, there was $nil (2015 - $nil) outstanding.

6. DEFERRED CONTRIBUTIONS RELATED TO TI PROGRAM

The TI Program is a four-year capital project for new technology requiring an investment of $4,900,000. A capital funding levy of $623,860 from client municipalities was implemented in 2014 to provide a portion of the financing and was continued into 2015 and 2016. The Province granted the Agency $612,000 in each of 2015 and 2016 for the program as well.

The Agency is required to demonstrate to provincial municipal organizations, the Saskatchewan Association of Rural Municipalities and the Saskatchewan Urban Municipalities Association that the conditions attached to the funding are being met.

7. INTERNALLY RESTRICTED RESERVES

Operating Fund Reserves

	2016	2015
Operating fund reserves, beginning of year	$ 1,418,330	$ 1,327,789
Reserves made during the year	522,772	1,194,086
Approved expenditures made during the year(net of transfers)	(304,492)	(1,103,545)
Operating fund reserves, end of year	$ 1,636,610	$ 1,418,330

The balance in operating fund reserves comprised the following:

	2016	2015
Reserve for computer enhancements	$ 114,406	$ 77,134
Reserve for professional fees	920,464	888,456
Reserve for travel	115,000	115,000
Reserve for SAMA operations	486,740	337,740
	$ 1,636,610	$ 1,418,330

Operating Fund Reserves

a) Reserve for computer enhancements

A reserve has been established to provide for the purchase of computer software, equipment and services necessary for assessment processes. In 2016, $97,272 (2015 - $60,000) was transferred to the reserve and approved expenditures were $60,000 (2015 - $nil).

b) Reserve for professional fees

A reserve has been established to provide for the purchase of legal, appraisal and other professional services related to property appeals, support of value, GIS development and recruitment and retention. In 2016, $276,500 (2015 – $345,000) was transferred to the reserve and approved expenditures were $244,492 (2015 – $239,207).

c) Reserve for travel

A reserve has been established to provide for travel costs that will be incurred relating to the physical re-inspection of property in municipalities.

d) Reserve for SAMA operations

A reserve has been established to provide for SAMA operations in the event of future revenue shortfalls. In 2016, $149,000 (2015 - $337,740) was transferred to the reserve.

7. INTERNALLY RESTRICTED RESERVES (CONTINUED)

Capital Fund Reserve

A reserve has been established for costs incurred to design and implement a four-year program to make improvements to the Agency's central assessment database. In 2016, $354,058 (2015 - $451,346) was transferred to the reserve. The total reserve in the capital fund at December 31, 2016 is $1,218,396 (2015 - $864,338).

8. COMMITMENTS

The Agency has leased premises in locations in Regina, Saskatoon, Yorkton, Weyburn, Melfort, Swift Current, Moose Jaw and North Battleford. The leases are to expire between 2017 and 2027. Annual lease payments are as follows:

2017	$	953,841
2018		921,085
2019		914,565
2020		891,121
2021		821,028
2022 and thereafter		4,830,389

The Agency has contracts for TI Program development and computer services outsourcing with the following payments due over the next five years:

2017	$	287,152
2018		283,528
2019		272,388
2020		253,888
2021		189,308

9. PENSION EXPENSE

Employees make contributions to the Public Employees Pension Plan ("PEPP"), a defined contribution plan.

In accordance with the Agency's union agreement with its employees effective January 1, 2016 the employer's contribution rate is 7.6% of an employee's salary.

The total pension contributions by the Agency for employees in PEPP was $881,762 (2015 - $820,983).

10. RELATED PARTY TRANSACTIONS

Included in these financial statements are transactions with various Saskatchewan Crown corporations, departments, agencies, boards and commissions related to the Agency by virtue of significant influence by the Province of Saskatchewan, non-Crown corporations and enterprises subject to joint control and significant influence by the Province of Saskatchewan and investee corporations accounted for under the equity method (collectively referred to as "related parties").

Routine operating transactions with related parties are settled at prevailing market prices under normal trade terms. These transactions and amounts outstanding at year-end are as follows:

	2016	2015
Operating expenses	$ 1,881,743	$ 1,847,599
Accounts payable	15,165	48,933
Government remittances receivable	56,753	28,929

In addition, the Agency pays Saskatchewan Provincial Sales Tax to the Saskatchewan Ministry of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

Other amounts and transactions due to (from) related parties and the terms of settlement are described separately in these financial statements and notes thereto.

11. ECONOMIC DEPENDENCE

The Agency is economically dependent on the Province of Saskatchewan due to the extent of its funding of the Agency's operations (56%) (2015 - 57%).

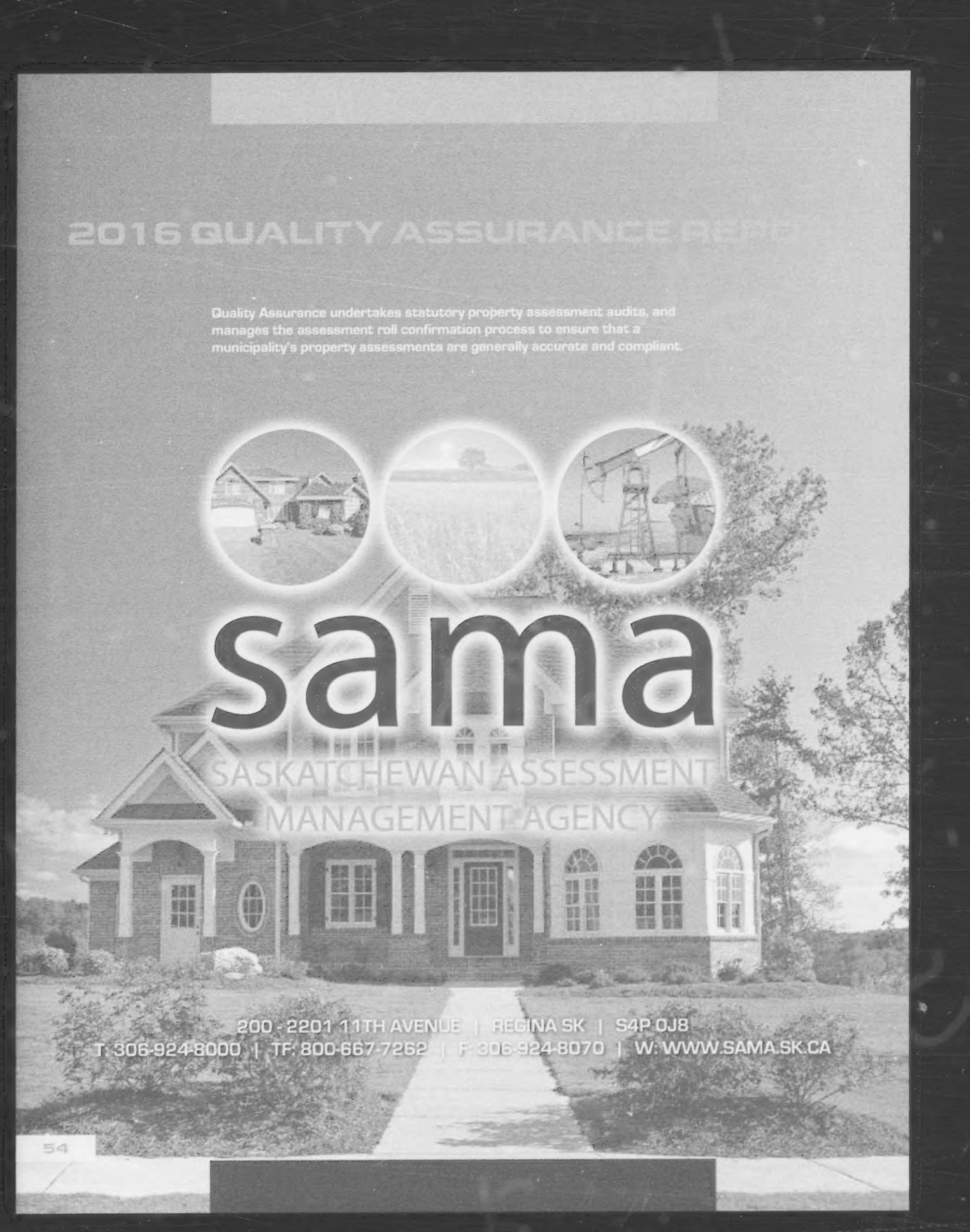
2016 QUALITY ASSURANCE REPORT

Quality Assurance undertakes statutory property assessment audits, and manages the assessment roll confirmation process to ensure that a municipality's property assessments are generally accurate and compliant.

sama

SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

PURSUING EXCELLENCE IN ASSESSMENT POLICY AND SERVICES FOR SASKATCHEWAN


2016 QUALITY ASSURANCE
Quality Assurance undertakes statutory property assessment audits, and manages the assessment roll confirmation process to ensure that a municipality's property assessments are generally accurate and compliant.
sama
SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY
200 - 2201 11TH AVENUE | REGINA SK | S4P 0J8
T: 306-924-8000 | TF: 800-667-7262 | F: 306-924-8070 | W: WWW.SAMA.SK.CA

QUALITY ASSURANCE

SAMA IS THE REGULATORY AGENCY RESPONSIBLE FOR PROPERTY ASSESSMENT IN SASKATCHEWAN.

SAMA's independent Quality Assurance Division is responsible for the assessment roll confirmation process, undertaking assessment audits (annual confirmation and primary audits on all municipalities) to ensure that municipalities' assessments are prepared and administered in accordance with the requirements set out in applicable legislation.

QUALITY ASSURANCE DIVISION IS INDEPENDENT FROM THE REST OF THE AGENCY.

It has no involvement in property assessment valuation, or setting of policy respecting property assessment valuation. Quality Assurance is accountable directly to the SAMA Board of Directors through the Managing Director of Quality Assurance.

THE SAMA BOARD OF DIRECTORS DEVELOPED AND ADOPTED VISION, MISSION, AND PRINCIPLES SPECIFICALLY FOR THE AGENCY'S QUALITY ASSURANCE (OVERSIGHT) MANDATE.

The Vision, Mission, and Principles establish the Board's position and expectations regarding the property assessment audit mandates, and the efforts undertaken by Quality Assurance in conducting its audit work.

QUALITY ASSURANCE

The SAMA Board, through its independent and directly accountable QA Division, fosters public trust by ensuring property assessments meet prescribed statutory requirements.

To provide unbiased, responsive, professional and collaborative audits of mass appraisal valuation processes and municipal Rolls through an independent and directly accountable QA Division.

For more information regarding Quality Assurance and the audits undertaken by the division, please visit the SAMA website (www.sama.sk.ca) and refer to the document 'Property Assessment Audits in Saskatchewan Guide' under the Audit Guides option.

QUALITY ASSURANCE

THE CONFIRMATION AUDIT

This audit reviews for accuracy and statutory compliance of a municipality's assessment roll. The confirmation audit is initiated once a municipality submits an assessment return to Quality Assurance. The return form (established by Board Order) requires the municipality to report all changes made to their assessment roll since it was last confirmed.

For the 2016 assessment roll year, Certificates of Confirmation were issued for 758 municipalities (100% of all returns submitted to SAMA for 2016). As at March 1, 2017 confirmation audits were in progress for 1 municipal assessment roll, and 9 assessment returns that have not yet been submitted for 2016. Assessment rolls that were confirmed for 2016 met the statutory accuracy and compliance requirements. Quality Assurance provided considerable assistance to municipalities over the year in resolving various assessment roll issues.

THE PRIMARY AUDIT

This audit reviews the compliance of appraisal level for improved residential and commercial properties that have sold. Legislation requires these two property types to be valued using the "market valuation standard." The appraisal level audit reviews the median ratio of assessment to adjusted sale price for the two property types at the municipal level to ensure there is compliance with the statutory median assessment to sale ratio range of 0.98 to 1.02. When the median assessment to sale ratio is 1.00, that indicates that on average, these property types are assessed at the same level as the sale prices. Both the confirmation and primary audits must successfully pass in order for Quality Assurance to recommend the municipality's assessment roll for confirmation by the SAMA Board of Directors.

For 2016, all primary audits undertaken passed, and were compliant with the regulated ratio.

THE SECONDARY AUDIT

This audit is a detailed or comprehensive audit concerning matters of property assessment statutory compliance. Secondary audits would typically focus on matters of egregious statutory non-compliance. Secondary audits were not required in 2016.

QUALITY ASSURANCE

QUALITY ASSURANCE MAINTAINS AND PUBLISHES INFORMATION RELATED TO PROPERTY ASSESSMENT AUDITS AND ASSESSMENT ROLL CONFIRMATIONS ON THE SAMA WEBSITE.

Reports and information regarding assessment roll confirmations is kept current, and is generally updated within a few days following SAMA Board meetings.

A SUMMARY OF CONFIRMED ASSESSMENT TOTALS

These totals are presented in the two tables that follow. The first table summarizes confirmed assessment totals by tax class and municipal type for 2016. The second table summarizes year over year percentage change for confirmed taxable assessment totals by tax class from 2014 through 2016. More specific confirmed assessment information by municipality is available on the SAMA website.

QUALITY ASSURANCE

2016 CONFIRMED ASSESSMENTS		URBAN				
		CITIES	TOWNS	VILLAGES	RESORT VILLAGES	ALL URBAN MUNICIPALITIES
TAXABLE	Non-Arable	562,400	891,040	492,841	619,120	2,505,401
	Other Agricultural	27,972,280	21,706,700	14,555,792	259,380	64,494,152
	Residential	38,244,097,451	6,258,755,752	1,374,856,751	508,435,760	46,386,145,714
	Multi-Unit	6,750,436,136	286,147,751	24,025,428	12,361,650	7,072,970,965
	Seasonal Residential	0	51,451,540	26,212,340	938,768,600	1,016,432,480
	Commercial and Industrial	14,166,152,007	1,192,365,818	186,200,281	41,149,170	15,585,867,276
	Elevators	82,422,620	83,744,000	20,679,450	0	186,846,070
	Railway R/W and Pipeline	96,417,846	23,807,300	27,603,300	30,300	147,858,746
	Taxable Total	59,360,060,740	7,918,809,901	1,674,626,183	1,501,623,980	70,463,120,804
EXEMPT	Non-Arable	2,898,080	474,920	79,800	223,560	3,676,360
	Other Agricultural	62,770,133	3,482,255	1,142,955	241,835	67,637,178
	Residential	521,682,670	161,842,640	30,277,982	31,744,090	745,527,382
	Multi-Unit	287,307,021	20,553,539	589,162	0	308,449,722
	Seasonal Residential	0	111,580	712,530	53,334,890	54,159,000
	Commercial and Industrial	12,404,725,839	1,664,810,222	402,456,719	33,325,450	14,505,318,230
	Elevators	3,015,680	20,409,400	615,850	0	24,040,930
	Railway R/W and Pipeline	45,146,954	6,429,900	3,125,800	0	54,702,654
	Exempt Total	13,327,526,377	1,878,114,456	439,000,798	118,869,825	15,763,511,456
PROVINCIAL GRANT-IN-LIEU	Non-Arable	9,480	400	0	0	9,880
	Other Agricultural	1,324,975	8,800	0	0	1,333,775
	Residential	72,471,550	28,643,370	4,782,260	0	105,897,180
	Multi-Unit	394,432,770	25,508,840	4,704,980	0	424,646,590
	Seasonal Residential	0	0	0	0	0
	Commercial and Industrial	1,025,816,184	45,486,800	6,572,500	3,195,200	1,081,070,684
	Elevators	0	0	0	0	0
	Railway R/W and Pipeline	570,500	832,700	0	0	1,403,200
	Provincial Grant-in-Lieu Total	1,494,625,459	100,480,910	16,059,740	3,195,200	1,614,361,309
FEDERAL GRANT-IN-LIEU	Non-Arable	0	0	0	0	0
	Other Agricultural	500,865	193,215	0	0	694,080
	Residential	69,906,030	6,281,170	2,895,340	0	79,082,540
	Multi-Unit	112,694,180	0	584,850	0	113,279,030
	Seasonal Residential	0	0	0	0	0
	Commercial and Industrial	393,602,000	33,193,600	6,139,300	0	432,934,900
	Elevators	0	0	0	0	0
	Railway R/W and Pipeline	11,711,500	3,066,600	1,003,400	0	15,781,500
	Federal Grant-in-Lieu Total	588,414,575	42,734,585	10,622,890	0	641,772,050

2014-2016 CONFIRMED TAXABLE ASSESSMENTS		URBAN		
		CITIES	TOWNS/VILLAGES/RESORT VILLAGES	MUNICIPAL TOTALS
TAXABLE	2014 Totals	56,221,803,399	10,525,776,668	66,747,580,067
	% Change from 2013-14	2.39%	2.05%	2.34%
	2015 Totals	57,965,193,064	10,837,204,155	68,802,397,219
	% Change from 2014-15	3.10%	2.96%	3.08%
	2016 Totals	59,368,060,740	11,095,060,064	70,463,120,804
	% Change from 2015-16	2.42%	2.38%	2.41%

RURAL	NORTHERN	SASKATCHEWAN
RURAL MUNICIPALITIES	NORTHERN MUNICIPALITIES	PROVINCIAL TOTAL
1,261,227,713	179,320	1,263,912,434
13,053,001,301	1,140,810	13,118,636,263
6,248,019,436	403,991,280	53,038,156,432
123,289,890	31,796,660	7,228,057,515
1,748,261,954	148,417,458	2,913,111,892
10,924,097,292	672,563,300	27,182,527,868
721,420,064	0	908,266,134
4,300,954,405	431,600	4,449,244,751
38,380,272,057	1,258,520,428	110,101,913,289
35,324,753	2,978,240	41,979,353
77,764,268	598,620	146,000,066
2,261,671,550	31,498,180	3,038,697,112
4,715,540	1,128,680	314,293,942
95,844,496	9,506,420	159,009,916
1,144,104,483	162,886,200	15,812,308,913
41,572,836	0	65,613,766
328,238,125	0	382,940,779
3,988,736,051	208,596,340	19,960,843,847
61,217,428	0	61,227,308
4,899,075	0	6,232,850
1,839,390	261,030	107,997,600
113,540	335,160	425,095,290
0	24,290	24,290
104,435,300	22,998,700	1,208,504,684
0	0	0
62,976,600	0	64,379,800
235,481,333	23,619,180	1,873,461,822
115,057,737	0	115,057,737
10,016,875	0	10,710,955
10,454,430	2,938,460	92,475,430
9,576,770	0	122,855,800
0	6,160	6,160
139,684,700	8,607,400	581,227,000
0	0	0
3,598,200	0	19,379,700
288,388,712	11,552,020	941,712,782

RURAL	NORTHERN	SASKATCHEWAN
MUNICIPAL TOTALS	MUNICIPAL TOTALS	PROVINCIAL TOTALS
35,623,290,256	905,338,525	103,276,208,848
-1.42%	-8.65%	0.90%
36,877,141,062	1,017,702,040	106,697,240,321
3.52%	12.41%	3.31%
38,380,272,057	1,258,520,428	110,101,913,289
4.08%	23.66%	3.19%

IMPORTANT
THE FOLLOWING FACTS APPLY TO BOTH TABLES

2014 - 2016 assessed values are calculated based on the following percentages for Urban, Rural and Northern Municipalities:

Non-Arable Land	40%
Other Agricultural	55%
Residential/Seasonal	70%
Multi-Unit Residential	70%
Commercial and Industrial	100%
Elevators	100%
Railway R/W and Pipeline	100%

Assessment rolls for 2016 have not been confirmed as at March 1, 2017 for the following municipalities, therefore their aggregate taxable assessed values for the following municipalities are not included in the 2016 assessment totals in the adjoining table:

MUNICIPALITY
N. Village of Pinehouse
N. Village of Sandy Bay
Resort Village of Glen Harbour
R.M. Of Garden River No. 490
R.M. Of Hazel Dell No. 335
Town of Zealandia
Village of Duff
Village of Hyas
Village of Meath Park
Village of Stenen

Assessment rolls for 2013 - 2016 have not been confirmed as at March 1, 2017 for the following municipalities, therefore their aggregate taxable assessed values for the following municipalities are not included in the assessment totals in the adjoining table:

MUNICIPALITY
Village of Duff

NOTES

SAMA CONTACT INFORMATION

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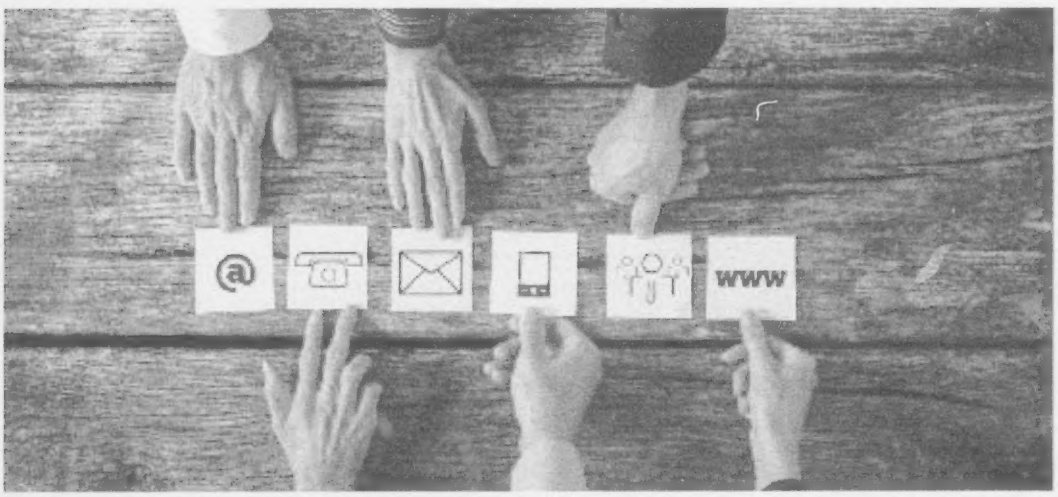

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2016 ANNUAL REPORT

SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

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